

Exhibit 6A

Nov. 8, 2013 Eligibility Hearing Transcript

1 UNITED STATES BANKRUPTCY COURT
2 EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

3 IN THE MATTER OF, Case No. 13-53846
Detroit, Michigan
4 CITY OF DETROIT, MI November 8, 2013
_____/ 9:00 a.m.

5
6 IN RE: ELIGIBILITY TRIAL CLOSING ARGUMENTS
BEFORE THE HONORABLE STEVEN W. RHODES
7 TRANSCRIPT ORDERED BY: SHANNON DEEBY, ESQ.

8 APPEARANCES:

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1 anymore.

2 So with respect to this part, the city's demonstrated the
3 desires to effect the plan. The plan is a -- is an outline --
4 that's all that's required, but it's actually more fleshed out
5 than that. An outline of a plan that can be confirmed. We do
6 think it's confirmable. I've also said before, that it will
7 change, that's -- that's also clear.

8 And -- and I'm not going to come back to this point, but
9 there's a -- there's -- there's an argument actually supported
10 by the cases that when considering the requirements for good
11 faith negotiations under -- under Bankruptcy Code Section
12 109(c)(5), that you also have to demonstrate that the plan you
13 started with is a plan of adjustment that could conceivably be
14 confirmed under Chapter 9. I think I've dealt with that
15 issue, I'm not going to return to it in the interest of time.

16 But this brings us to an important aside. And -- and I'm
17 not again going to repeat, but I endorse the state's argument
18 that from the very beginning of this case, or from the very
19 beginning of the -- of the Governor's administration when they
20 focused on the situation in Detroit, that it was prudent as a
21 matter of common sense, sensible planning, and because
22 everyone else in the world was talking about it, to look at
23 Chapter 9 as -- as something that might some day, if
24 circumstances didn't get better, have to be considered for the

1 The aside is to -- to basically inform the Court that
2 actually the law that we just talked about, the law pressed by
3 the opposition that the plan, that the -- that the city has to
4 start with, is a plan that is a plan of adjustment, or an
5 outline of a plan of adjustment that could be confirmed.

6 That's actually a legal command that when you're confronting a
7 municipality that has financial difficulties you have to start
8 with Chapter 9.

9 Because if you don't understand what the rights, and
10 powers, and obligations of a municipality are under Chapter 9,
11 and what a plan adjustment would have to look like in the case
12 of a Chapter 9 case, you can't start. So in addition to all
13 of the, you know, very practical observations, and the fact
14 that it's very sensible to pay attention to the same law that
15 frankly your creditors are paying attention to when they're
16 thinking about what they might have to do in an out of Court
17 scenario, in this one circumstance the law actually commands
18 an early look at the statute. So I think that if the law
19 commands an early look at the statute, an early look at the
20 statute cannot constitute evidence of a lack of good faith by
21 anybody.

22 THE COURT: Before you go on, this question. So is
23 it the city's position that with regard to the pension
24 liability underfunding, the creditors -- the only creditors

25 were the two plans and not the retirees themselves?

1 MR. BENNETT: Your Honor, I think that's -- at the
2 end of the day, I think that's probably right. We expect it
3 to be disputed, we understand it will be disputed. I think
4 you will find that the -- the -- the -- I think you should ask
5 them when they reach the podium.

6 We think that's right. That by the way, is the reason
7 that the first people we asked about whether they could
8 represent retirees in discussions that would ultimately affect
9 their pensions was them. And they basically told us that we
10 can fight to preserve our claims, but we can't compromise
11 them.

12 THE COURT: Well, all right. I will -- I will look
13 forward to your discussion of how this impacts your argument
14 regarding impracticality.

15 MR. BENNETT: We'll get there. Okay. Well, we're
16 there. Impracticality.

17 You know, back to the -- coming back to the opening
18 argument, we started with, and we'd start with again, the
19 number of bond issues that the city has. The fact that bond
20 holders have the right, each individually, to consent to any
21 impairment of their principal amount or of their interest.

22 And the -- the -- the one -- one place where you can
23 find, I said this at opening also, a list of all the different
24 issues, and demonstrate how numerous they are, are in the

1 list.

2 There's also -- it also reveals that many are insured,
3 but some are not which is an additional complication. Mr.
4 Buckfire testified that although talking to the insurers was a
5 place to start, his -- his view was, because it's also the
6 law, that they could just make recommendations and there were
7 some issues as to which, according to this book, it's true,
8 there were no -- there -- there are no insurers.

9 And so ultimately if an insurer is going to recommend
10 something and you're going to send it out to a vote, you're
11 going to get some yes votes and that's great but there's
12 nothing you can do with respect to the no votes under
13 applicable non-bankruptcy law.

14 And so with respect to the bond holders, while there was
15 someone to talk to to get started, there was no way to get all
16 the way home. And no one has suggested that there was a way
17 to go all the way home.

18 So -- but the -- and the second part we said at opening,
19 and again I'm -- I'm not going to repeat it here, is that
20 frankly that's the end of the inquiry. Because
21 impracticability with any one class means that out of Court
22 negotiations are impracticable.

23 There are cases that say this, they're cited in our
24 papers. I also spent some time thinking with the Court about
25 the problem about, you know, how you would go about it if you